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SUBJECT: BRAZIL'S TRIANGULAR DEVELOPMENT PARADIGM

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¶1. Summary: On August 4, Ambassador Sobel hosted a lunch for S/P Director Stephen Krasner and a cadre of Ministry of External Relations (MRE) and international officials, following Krasner's consultations with GOB officials on the Partnership in Democratic Governance (PDG) initiative. GoB interlocutors emphasized building a new triangular paradigm for development assistance, focusing on education, renewable energy development and Brazilian foreign assistance to highlight how the principal could be applied. World Bank Director, John Briscoe, underscored the necessity of streamlining assistance processes if developed countries wanted to maintain their position of leadership in providing aid and building strong democratic governments. End Summary

Education

¶2. Alessandro Candeas, who heads International Relations at the Ministry of Education, noted the increased importance placed on policy planning in terms of education and he explained Brazil's new idea for a "triangular modality" in education assistance. This new paradigm involves pairing developed, developing (E9) and underdeveloped countries in a consortium to back education through teacher training, exchange programs, school meal programs, and the like. Partnering along the familiar North-South-South line, E9 countries whose domestic programming, know-how and educational challenges are closer to those of underdeveloped states would utilize third party resource and technical expertise to implement assistance. Candaes pointed out that the proposed modality was appended to the 2006 G8 Summit Document (the only non-G8 suggestion accepted).

Foreign Assistance

¶3. Recently returned from Haiti, Achilles Zaluar Neto of the MRE's UN Division stressed the disconnect in Haiti between the fledgling government, the peacekeeping force, and various aid organizations' activities; and he stressed the need to harmonize aid structures and political policies into coordinated initiatives. Underscoring again the need for a triangular paradigm, MRE UN Division Chief, Glivania Oliveira, highlighted a Brazilian project in East Timor to strengthen the country's judicial process. She used the example to illustrate how a country like Brazil is capable of providing assistance in terms of language, culture and social/political will. The caveat is that developing nations lack the resources to provide assistance on a larger scale. Here again developed countries can help augment assistance.

Biofuels

14. The MRE's new Energy Director, Antonio Simoes, outlined the GoB's goal of utilizing renewable fuels (emphasis on ethanol) as a mechanism to alleviate poverty and build infrastructure in underdeveloped countries, not-to-mention other countries in South America. According to Simoes, the GoB's ultimate goal is to share the technology that will lead to a worldwide biofuel matrix. The proposed bilateral MOU with the U.S. and the fledgling Ethanol Forum are mechanisms to find the ways and means to achieve this ethanol ethos. Simoes concluded by recommending that both Brazil and the U.S. attend the regional conference of Energy Ministers in Trinidad in the beginning of September. Greg Manuel of S/P expressed the Department's interest in the GoB's proposals and a desire to find a path forward. He noted that the Department is working on articulating a position that will provide a way forward for cooperation on biofuels.

U.S. - Brazil Partnership

15. S/P McIlhenny noted President Lula's carefully articulated vision of democratic integration in the region, suggesting that this reflected an affinity of values that should make it possible for Brazil and the U.S. to work creatively together in new forms of partnership that serve shared interests. In fact, that engagement was already emerging in creative ways that bolstered democratic governance, witness the joint Brazil/U.S. project in Guinea Bissau. Few might have expected, five years ago, that this sort of partnership would emerge between us. That it has reflects a pragmatic approach on both sides that augurs well for other cooperation.

COMMENT

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16. John Briscoe of the World Bank put the meeting in perspective by relating an assistance tale from Mozambique. When countries like the United States and Brazil drag their feet, China enters and fills in the capacity building void. The story's moral: governments need to change the way they view assistance, to streamline aid processes and to find novel ways to support capacity building endeavors. The meeting hammered home the point that politics and economics are inexorably intertwined and, therefore, need to be linked. End Comment

17. Participants:

U.S. Side

S/P Director Stephen Krasner
Ambassador Sobel
William McIlhenny (S/P Member),
Gregory Manuel (S/P Member)
Mark Kennon (U.S. Embassy Brasilia),
Matthew Golden (U.S. Embassy Brasilia)

Brazilian Side

Ambassador Antonio de Aguiar Patriota (Under Secretary for Political Affairs, SGAP I),

Counselor Joco Tabajara (United States and Canada Division, DEUC),

Counselor Glivania Maria de Oliveira (United Nations Department, DNU),

Counselor Achilles Emilio Zaluar Neto (United Nations Department,

DNU),

Minister Antonio Jose Ferreira Simes (Energy Department),

Minister Antonio Luis Espinola Salgado (Under-Secretariat for
Political Affairs, SGAP I),

Secretary Jorge Luiz Vieira Tavares (United States and Canada

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Division, DEUC),

Counselor Alessandro Candeas (Ministry of Education International
Advisor)

International Organizations

Mr. Vincent Defourney (UNESCO Representative), Mr. John Briscoe
(World Bank Director),

18. S/P Krasner has cleared this cable.

SOBEL